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3 MAR 1980

MEMORANDUM FOR: Director of Logistics

VIA: Inspector General *GD*

FROM:   
Chief, Audit Staff

SUBJECT: Report of Audit, Real Estate and  
Construction Division, For the  
Period 1 January 1978 - 31 December 1979

1. Subject report is attached. Please advise me of  
the action taken on the recommendation in the report.

2. We appreciate the cooperation and assistance  
provided by your staff during the audit.



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Attachment:  
As stated

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REPORT OF AUDIT  
Office of Logistics  
Real Estate and Construction Division

For the Period  
1 January 1978 - 31 December 1979

SUMMARY

1. Financial and logistical controls, procedures and records are generally effective and in conformance with Agency regulations. Minor administrative matters were discussed with responsible officers and resolved during the audit. This report contains a recommendation regarding accountable property.

SCOPE

2. The audit included tests of controls, procedures and records as necessary to determine compliance with Agency regulations. Financial and logistical transactions were examined for propriety, approvals, certification and supporting documentation. Capital cost data contained in Real Estate and Construction Division's (RECD) new automated Real Property System (RPS) were sampled to determine their accuracy.

BACKGROUND

3. RECD has a personnel complement of [ ] staff and [ ] non-staff employees organized into three branches and one unit. Headquarters Engineering Branch provides for the reliable operation of utilities systems at Headquarters and monitors engineering and construction activity accomplished by General Services Administration (GSA) personnel at Headquarters. Field Engineering Branch provides support for renovations, improvements and maintenance to foreign installations and [ ] Headquarters. Real Estate Branch acquires, maintains and disposes of domestic and foreign real property. [ ] maintains documentation concerning Agency real property activities and operates the automated RPS.

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4. RECD's funds allotments for Fiscal Year 1979 were [ ] for reimbursements to GSA for standard level user charges, [ ] for engineering support of Agency real estate, and [ ] for general administrative support within the Division. Its property requisitioning authority was \$105,500. RECD is accountable for non-expendable property valued at \$52,900.

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DETAILED COMMENTS

Accountable Property

5. RECD's accountable property is recorded in two Type II property accounts. Property located within the Division's office space, recorded in account 6850, has a value of \$41,400. [ ] property, which is in use at a local safehouse, is recorded in account 6855 and is valued at \$11,500.

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6. Annual physical inventories and updating of property loan documents are required by Headquarters [ ] The most recent inventory of account 6850 was conducted in March 1978. The date of the latest inventory of account 6855 could not be determined. Loan documents for account 6850 were not current; however, the accountable officer was in the process of updating them at the conclusion of the audit.

Recommendation: Conduct physical inventories of property accounts 6850 and 6855.

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*P Rpts audit  
Hgs.*

18 APR 1980

MEMORANDUM FOR: Chief, Audit Staff

VIA: Inspector General, OIG

FROM: James M. McDonald  
Director of Logistics

SUBJECT: Report of Audit, Real Estate and  
Construction Division, for the  
Period 1 Jan - 31 Dec 1979

1. The Audit Staff is to be complimented on the professionalism of the referenced audit. The Real Estate and Construction Division benefited greatly from the many constructive comments and advice offered during the course of the audit.

2. Efforts are now underway to update the physical inventories of property accounts 6850 and 6855. Annual physical inventories will be conducted henceforth.

/s/ James H. McDonald

James H. McDonald

cc: IG

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OL/RECD/REB [redacted] (28 Mar 80)  
(Retyped: [redacted] 4 Apr 80)